

Diplomatic Security

Q. What is Industrial Security?

A. Industrial Security is a program established to safeguard classified information entrusted to U.S. industry. It is a government/ industry partnership where the government establishes requirements for the protection of classified information entrusted to industry. Industry implements these requirements with Government advice, assistance, and oversight.

Q. Who administers the National Industrial Security Program?

A. The National Industrial Security Program is the responsibility of the Department of Defense (DOD). The Department of State (DOS) and the DOD, through a 1961 Memorandum of Understanding, agreed to have Defense Security Service (DSS) administer the NISP on behalf of the DOS.

Q. Which office within the DOS is responsible for the DOS Industrial Security Program?

A. The Industrial Security Division in the Office of Information Security (DS/IS/IND) manages the Department's worldwide Industrial Security Program to ensure that national security and specifically designated sensitive but unclassified information entrusted to the private sector is properly safeguarded. At a minimum, DOS contractors must adhere to the security requirements established within their respective DOS contracts.

Q. How do DS/IS/IND and OBO work together?

A. DS/IS/IND oversees OBO's classified contracts and contracts which require access to Sensitive But Unclassified and NOFORN (No Foreign Dissemination) information. IND works with OBO in the planning of new projects to ensure that appropriate security requirements are addressed for each project and incorporated into each proposal and contract. IND sponsors

uncleared firms for facility clearances when there is a bona fide procurement need, and is the office which receives certification of all clearances for contractor personnel performing on OBO contracts. DS/IS/IND conducts security training for OBO contractors, OBO program offices, Contracting Officers and Contracting Officer's Representatives during pre-performance conferences and as needed during contract/project performance. In addition, DS/IS/IND conducts industrial security compliance inspections/reviews of OBO contractors performing domestically and overseas.

Q. What is a Facility Security Clearance?

A. Facility Security Clearance (FCL) is an administrative determination that, from a security viewpoint that a firm is eligible for access to classified information of the same or lower classification category as the clearance being granted. A firm must have an FCL in order to receive a classified DOS solicitation document and/or to perform work on a classified contract. Additionally, in order for a company to receive classified material at its place of business, the company must also have DSS-approved safeguarding capability.

Q. What is a classified contract?

A. A classified contract is one in which the contractor requires access to classified information or controlled access areas in the performance of the contract and/or the contractor must provide cleared personnel. The actual contract document itself usually is not classified.

Q. Who issues the personnel security clearances for contractor employees under the NISP?

A. The Defense Industrial Security Clearance Office (DISCO) issues clearances on behalf of the DOD and User Agencies like DOS. The Office of Personnel Management is now responsible for conducting the actual background investigations.

Q. How and when does a firm need to obtain a Facility Clearance to participate on OBO projects?

A. Most DoS Overseas Building Operations (OBO) efforts do not require that a firm have a facility clearance in order to compete for contracts. Only in certain circumstances, usually driven by time constraints, does DoS restrict qualification to firms who already possess a facility clearance.

Most announcements in FedBizOps include one of two requirements:

1) "In order to be eligible to perform under this contract, the successful offeror must possess or be able to obtain a Department of Defense (DoD) Secret facility clearance (FCL), issued in accordance with the National Industrial Security Program Operating Manual (NISPOM), DOD 5220.22-M. Specifically designated personnel assigned to this contract must also possess a Secret personnel security clearance issued by the Defense Industrial Security Clearance Office (DISCO). Offerors already possessing the necessary FCL should submit their appropriate Commercial and Government Entity (CAGE) Code with their proposal. If a selected offeror does not possess the necessary FCL, the Department of State will sponsor the firm for an FCL. Sponsorship does not guarantee that the firm will receive the clearance. A period of 90 days from the date of final selection of the final offeror will be allowed for the selected firm to obtain the necessary FCL. After this period, the Government may, at its discretion, consider awarding the contract to another firm. Firms which form joint ventures must also comply with the above FCL and personnel security clearance requirements. All entities comprising a joint venture for this effort must be issued an FCL, as well as the joint venture. (THIS PARAGRAPH IS USED WHEN THERE IS NO REQUIREMENT TO HAVE ACCESS TO CLASSIFIED DURING THE RFP PHASE. THEREFORE, DOS MUST ONLY SPONSOR THE SUCCESSFUL OFFEROR FOR THE FACILITY CLEARANCE.)

Or

2) "In order to be eligible to perform under this contract, the pre-qualified firm(s), including all entities which comprise a joint venture, must possess or be able to obtain a Department of Defense (DoD) Secret facility security clearance (FCL) with Secret safeguarding capability, issued in accordance with the National Industrial Security Program Operating Manual (NISPOM), DoD 5220.22-M. All entities comprising a joint venture for this effort must be issued an FCL, as well as the joint venture. If a pre-qualified firm does not possess the necessary DoD FCL, the Department of State will sponsor the firm for an FCL at the time they are determined to be pre-qualified. The Department of State will allow 90 calendar days from the notice of pre-qualification for firms to obtain the necessary FCL. Firms will not receive the classified portions of Phase II of the RFP until they have been issued the appropriate FCL and received Defense Security Service (DSS) approval to safeguard classified documents. Sponsorship does not guarantee that the

firm will receive the FCL. The Government will not be obligated to extend its solicitation schedule, or to make an award to a sponsored, pre-qualified firm, if that firm has not been issued a FCL." (THIS PARAGRAPH IS USED WHEN OFFERORS NEED ACCESS TO CLASSIFIED INFORMATION DURING THE RFP PHASE, AND MEANS THAT DOS MUST SPONSOR ALL OFFERORS WHO PRE-QUALIFY BASED ON TECHNICAL QUALIFICATIONS IF THEY DON'T ALREADY HAVE A CLEARANCE.)

Therefore, in the majority of DoS OBO efforts, firms who are interested in competing simply need to qualify on their technical merits. Once selected for award, or pre-qualified to bid on a classified RFP, DoS will sponsor the firm for the requisite facility clearance.

Q. How does DoS Sponsor a firm for a Facility Clearance (FCL)?

A. Defense Security Service is the government agency which is responsible for the National Industrial Security Program, and the agency which clears industrial firms and personnel based on sponsorship by a government agency based on a valid procurement need. The National Industrial Security Program (NISP) was established by Executive Order 12829, and is administered by the Defense Security Service. The National Industrial Security Program Operating Manual (NISPO) prescribes requirements, restrictions, and other safeguards that are necessary to prevent unauthorized disclosure of classified information and to control authorized disclosure of classified information released by the Government to its contractors.

Defense Security Service cannot issue a facility clearance to contractor activities located outside the U.S., Puerto Rico, or a U.S. possession or trusted territory. FCLs may be granted only to contractors organized and existing under the laws of the U.S. or Puerto Rico. Facilities which are determined to be under FOCI (Foreign Ownership, Control or Influence) are not eligible for a FCL unless actions (as directed and approved by Defense Security Service) can be taken to effectively mitigate the foreign ownership.

When there are FOCI issues with a firm that has been sponsored for a facility clearance, many factors determine whether Defense Security Service can grant the facility clearance - and whether or not the government agency will support the sponsorship, as it is often a long and involved process for a company to undertake. This process often takes more than the 90 days allotted by DoS for obtaining an FCL for award of the contract. When the work needs to be done in a timely manner, DoS may decide to award to the next best qualified firm. If the firm will be bidding on future DoS efforts, Defense Security Service will make every effort to continue the facility clearance process to its conclusion.

Additionally, both entities of the joint venture must be cleared, as an individual entity, before a joint venture FCL will be granted; as such, firms should be mindful of this requirement when selecting a joint venture partner, as the joint

venture will not be eligible for a FCL if both entities of the joint venture are not deemed eligible for a FCL.

Q. Where can I find additional information about Facility Clearances and Defense Security Service?

A. For more information on the National Industrial Security Program, please log on to the Defense Security Service website, at www.dss.mil. On the main page, click on the box on the right with says "Industrial Security/Facility Clearance", where you can see the Frequently Asked Questions, or the "FOCI" box on the main page. The facility clearance division's link can be found at http://www.dss.mil/isec/pcl_index.htm.

Please contact the Department's Diplomatic Security Industrial Security Division for any questions relating to the facility clearance sponsorship process:

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